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by

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Dr. L. C. Gray: Ladies and Gentlemen, at the risk of being counted an old man, I am going to confess to you that it has been just a quarter of a century this year since I went to Wisconsin to study agricultural economics with Dr. Taylor. Some of you at that time were kicking in your cradles, in fact, I suppose that is the way you qualified to be farm leaders. The thing I am impressed by, in looking back over that period, is the tremendous change in the character of agricultural economics, and the standards by which agricultural economists are tested. In 1908 we were engaged in what you might call the metaphysics of agricultural economics. We were dabbling with the law of diminishing returns and similar matters. We were not very much concerned with, whether what we were doing and talking about had any practical application. In fact, we hardly expected to be called upon to apply our theories and conclusions. Agricultural economists were not in the counsels of the Nation at that time. When Dr. H. C. Taylor came down to Washington to advise on the making of the census, we thought he had become a sort of elder statesman.

Now, in the year 1933, agricultural economists are expected to be both elder and younger statesmen, and to apply our conclusions and theories, we have with us tonight two gentlemen who stand in the front ranks of that type of agricultural economist, and I am glad to introduce the first speaker, Mr. M. L. Wilson.

Mr. Wilson: Dr. Gray and Ladies and Gentlemen: In discussing Subsistence Homesteads, I will begin by reading Section 208 of the National Recovery Act. It follows:

"To provide for aiding the redistribution of the over-balance of population in industrial centers, \$25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make, for making loans for and otherwise aiding in the purchase of subsistence homesteads. The monies collected as repayment of said loans shall constitute a revolving fund to be administered as directed by the President for the purposes of this section."

Now that involves first a definition of subsistence homestead, Don't ask me to define a subsistence homestead, because I do not know. We have had several committees attempt to define it, and none of them have been able to agree exactly on what it is; but the presumption is that it is a plot of land of sufficient size to give a family a part of its living, vegetables, fruit, if in a fruit country, and from there you can go as far as you want to go.

The President himself, as Governor of New York, was quite enthusiastic over the New York land utilization program which culminated in the passage of a 20 million dollar bond issue for the retirement of submarginal land, and furthermore for the development of what the President has called "rural urban industry".

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If I understand that correctly, the President has in mind persons

who are living on farms as part-time farmers or as subsistence farmers and gaining a considerable amount of income from being employed in industry or some other service in addition to agriculture. The President has a feeling that there is a balance between agriculture and industry and that the long time economic stability depends on this balance and that there is a place, especially at this time, what with technology and transportation, cheap electricity developed as it has, for the development in American life of what the sociologist would call a new pattern of life--something in farm life on the one hand, and in our industrial city life on the other. This is the thing which the President would call rural urban industrial workers.

You are more or less familiar with the concept and ideas that come under the back-to-the-land movement, with the quotation marks around "back-to-the-land".

There is another angle and it is from this that I am interested in this kind of life. Dr. Gray has done such a good job in land economics that he made a convert of me a long time ago. The thing that we needed was a national land policy which would shift farmers off of submarginal land and shift farmers over to places where they would have an opportunity for the production of goods and commodities which could be exchanged and therefore raise their standard of living as well as the standard of other people.

I have seen certain estimates about that, and I have seen certain estimates to the effect that if we put agricultural production up to good farmers on good land, at least one-third or two million of these excellent farmers would no longer be needed in agricultural production, and there a practical question arises:

If we are going to shift, what are you going to do with them? My own thought has always been to put them into industry. You will remember a book written by a journalist called Wheeler McMillan, the subject of which was "Too Many Farmers", and my good friend, Dr. Eric England, once pointed out to me that the last chapter contained a very brief paragraph.

It is said that the problem of what to do with these too many farmers was a problem to be considered in another book--probably it was a problem for the economists of the nation.

I have always thought the thing to do with these two million was to put them into industry. Here we have two currents. Here are people interested in farm relief who want to get rid of the two million, and people interested in unemployment who want to put the two million back on the land. Thus we are dealing with a perfectly human force, because we have a contradiction.

We need a new designation for subsistence homesteads.

I understand that the President was willing to give a medal for a better word than "subsistence". It sounds like enough carrots, cabbage and potatoes; but while they may have all the necessary vitamins, it is kind of hard picking at that.

In this age of plenty where we have so much, where we have to reduce a little in order to ease conditions, certainly we ought to be able to figure out some kind of living without it being a subsistence living. Regardless of

what the dictionary says about it, subsistence means to me something that is generally below the level of existence.

But we have got to do something with these people and in order to do something with them we have three lines of attack. The first one of these is to deal with what we choose to term "stranded industrial population". Now, you know there are a great many of my economist friends who believe there is no such thing as technological unemployment, and that if there is stranded population, it is only temporary. However you may feel about that, when they had the hearing on the coal code, the general impression was that there were 200,000 coal miners who would never mine coal again, and when you come to digging around through the industries you find a great many thousands or hundreds of thousands who, as the situation appears now, are stranded.

They may have been workers in factories or they may have been timber workers, where timber is cut off. Now, just what is going to be done with these stranded industrial groups? Then the second thing is, that on the assumption that we are going to have shorter working hours, and spread the work, working people will have leisure time, and that is possible to develop around the periphery of industrial cities, what we choose to call "working men's garden homes," where there will be a very comfortable house on land sufficient to supply that family with vegetables, fruit and poultry, and an amount of production which will be consistent with the value of the land and the size of the crop.

The third will be the shifting of stranded agricultural population. People who are on the eroded and submarginal land are just as much stranded as the workers in the coal industry where other things are substituted for coal and where coal is not going to be used again.

When approached from that angle, it seems to me quite apparent that economic forces in American civilization will work a re-distribution of population.

If population were perfectly fluid and would adjust itself very easily there would be a very great redistribution of the population.

As near as I can make out, there are two rather fundamental theories which underlie this subsistence homestead movement. The first, I think, is held by about 75 or 90 percent of the people with whom I have talked. It is to the effect that, because of nationalism, or whatever the cause may be, there is going to continue to be a great class of people in the United States that are not going to be employed again. There will be people from the stranded industrial areas--people of the over-age group, people over 45, there will be people for whatever the cause may be, even if industry picks up.

I am informed that in Youngstown and in Birmingham and other steel centers, there is going to be a large class of people who will be without steady employment; or else the irregularity of their employment will be such that their living conditions will be very unsatisfactory and they probable will require some type of public support.

Some people, if I interpret them correctly, that we have reached the apex and are going to have a large class of people unemployed. ^{the thing} They say to do is to shift the people on to the land and make peasants out of them, so that they will not be supported by public support. If you can shift them onto the land, you will relieve the load of taking care of them to that extent, and that this therefore is a form of permanent unemployment relief.

Now personally I can't share that view. Perhaps we will have a period of great industrial expansion. There ought to be a hundred men working in bath-tub factories today where there is one working. We must adjust ourselves to the changes of the machine and the scientific age with the kind of industrial living and acquiring of property which brings back security and opportunity for the employment of leisure time.

Our program is an adjustment, not an adjustment downward with a sharp descent in the present standard of living, but rather adjusting it up with a much higher standard of living.

We will establish demonstration projects with the \$25,000,000 which will be rather well distributed throughout the United States. They will be distributed on the basis of the problems of land adjustment and the intensity of population throughout the United States. This will give us a test and some representative material of what might happen if we would progress in this direction.

The projects will not be allocated on the basis of State lines but rather on the lines of problem areas. The first of these experiments has been started in West Virginia. An 1100-acre farm has been purchased.

That experiment is located in the center of an area with a great many unemployed miners in it. That 1100-acre farm is being worked out in the form of a new American village. It might remind you of an European village. Here is the plan of this industrial village. Here are 125 plots of land. They will be large enough so that the family with up to five acres, which the family will own, will raise its own garden and have its own fruit.

The fields will be laid out so that a tractor can plow most of the land which will be in the gardens. Then down here are two or three larger fields which are somewhat like the Commons of the European villages. That happens to be a low soil which is adapted to potatoes and things of that kind.

We have a number of projects located in both large and small industrial areas where lands will be acquired, and those tracts of land broken up into plots of a size that will give the family a garden plus poultry. I think that \$400,000,000 could be spent, allocated to those projects, if this was on the public works, just as fast as administrative machinery could allocate it.

There has been a flood of applications and inquiries. I think almost every town in the United States with 5,000 people is interested in something of this kind. Where those projects are developed, or a number of those projects at least, an attempt will be made, as far as the occupants are concerned, to select the occupants in advance, so that the occupant can do as much of the common labor and the construction of this plot as possible.

Then with reference to the shifting of the agricultural population, if there should be a program on land return, then we shall try, in cooperation with Dr. Gray- and I might say, in all of these projects we are trying to do that we shall try to do something, at least in an experimental way, toward giving the opportunity for farmers to shift from the poorer land on to better lands.

We are trying to get this organized so that it will have a close relationship with the agricultural colleges and with the Extension Service in the various States, and organize in a way that these people will have a certain degree of responsibility for what they are particularly interested in.

Now let me close by making some comment about what effect this may have upon commercial agricultural products as such. If you are one of those who feel that economic forces have produced great changes and that our whole national life is somewhat out of adjustment and that we have a need for the development of something of this kind, some development of this type of life, I think you will see, that you will agree that it will have if it becomes wide-spread in its application, a very great effect upon agriculture on the one hand and the organization of cities on the other hand. Now while the economic industrial system has given us a great flow of consumable goods, it has not given us near enough of consumable goods, not near enough distribution of goods, and if we had some way of starting out here to get every family in the United States sufficient housing and sufficient clothing, and so on, that had a minimum standard of living, it would require everybody working eight hours for the next ten years to do so. Even so, if that isn't the case, the industrial system has taken away security at the expense of this, at least the flow of goods has taken away from this great nation of people, security. Now one of the things to be done is to see what we can do toward bringing back security, something that working people can comply with, and we are hoping that most of these subsistence homesteads can be set up and sold well from \$2,000 to \$2,500, July 1933 dollars. The attempt will be made, as far as possible to have all of these houses modern. They may not be large but they will be modern and have running water, and, I think in most cases electric lights, and those kinds of conveniences.

The objective is not to set up a shack but to put up something here which is somewhat consistent with the age in which we live, because our prosperity from now on is going to depend upon abundant living, and if we don't have abundant living we are going to have a large job ahead of us. So these houses are going to be constructed, at least on the basis of abundant living, and therefore will bring back security. Then there is another feeling that there is a value to living this kind of a life which is made possible by the machine age and cheap electricity and cheap transportation, and so forth.

Projects that are being set up at the present time are being set up to make certain that they are not going to increase agricultural products. And where they will be set up on the better land with the idea of shifting farmers from the poorer land to the better land, they will be set up in such a way so that there will not be an increase in production as the President's land policy specifies. I have had an opportunity in the last three months to see quite a number- I hate this word, but it is in the Act and we have to use it- subsistence homesteaders, subsistence farmers. Some have done very well. I visited a home of a man who is a janitor in a steel plant in Youngstown. He has one of the finest little subsistence homesteads that I have ever seen. He is not such a smart man. I do not suppose if he were to take an intelligence test that he would get along so very well. He has been a janitor for 22 years. He has not had very high wages. He has put his children through high school. He has seven acres of grain, he has a pretty good cow, and he has great skill as a gardner. I can say that I think that family has done very well, and I think that living that way is much more attractive than living on many of the submarginal farms I have seen over the United States.

I also have the feeling that we are going to develop a lot of new handicraft schools in this country and that they will stand in this country side by side with the most efficient factory production. In 1930, in West Virginia, some of the miners were almost on the verge of starvation. The Quaker relief committee came in one of these counties and began distributing literature. They had the idea of doing something to get the people off the subject of their troubles and to direct their attention to other things. The extension specialist, the forestry extension specialist of West Virginia, who as a part of this project has had to do county work, knew an old fellow who lived in the hills in West Virginia. He had grown a long mustache and a gray beard and some of his tobacco juice had a habit of getting down on both sides. Bud made chairs, and his father made chairs before him. Bud makes them himself. He goes out and cuts the hickory and brings it in and splits it and makes a chair, and from the standpoint of artistic people, he does a crackerjack job.

He makes such a fine chair that it attracted the attention of both Mrs. Hoover and Mrs. Roosevelt, so you can see that it was a non-partisan chair. The story as told to me was that the Quaker relief committee first got a young manual training teacher to come down and teach these unemployed miners to make chairs. However, the miners paid no attention to him; he did not get anywhere. So then they hit on the idea of getting Bud. They thought it would be a good idea for Bud to come over and make chairs, and so Bud opened a little carpenter shop and chopped his hickory and began to make chairs. He didn't exactly like to have these watching him, but they were curious and then some of them began to offer to help. It did not take long with that course of instruction, and in three months' time they had about 20 miners making very good chairs, and that little chair factory has done pretty well. Now, this is a very fine kind of chair, and I do not think it would take any very great salesmanship to sell it. If your wife saw that chair, she would think it was a pretty fine chair.

I have a hunch that in this machine age in which we live, with mass production, there is a great opportunity for a new effort in this kind of handicraft, because it can be made by this type of people, and I hope you will do all you can to help us experiment with this new pattern of life.

QUESTION: I have a question with reference to the method he is planning to adopt in these new experiments in the way of selecting people to be given the privilege of occupying these first homesteads.

MR. WILSON: That will rest largely on a committee or on a local group. In general, they will be selected from unemployed or partially unemployed on the basis of two standards; first, what has been their record in self help and in the garden movement for the unemployed. The self help activities and the garden movement have been carried on quite generally with the unemployed, and of course there has been wide variation in the degrees to which families have responded; but I think in almost every community in which we will have communities there will be far more applicants who can say that they have done a conscientious job in their garden work, in their self help or cooperative production units. Then number two: in general, people will be selected who have lived on farms or were brought up on farms and who drifted into the cities with the group migration brought about during the war.

QUESTION: What initial capital, if any, must they have?

MR. WILSON: Not necessarily any. An amortization presumably will be made for a twenty year period, where there will be very slight payments required for the first year, and as far as is practical, the occupants will put as much labor into their homesteads as is consistent with the type of

building.

QUESTION: Are you taking into consideration the fact that very probably the woman in the family is going to have quite a good deal to do with the success of this farm relief in your cooperative enterprise, and you might have a man who is an excellent farmer and a wife unable to make the best use of his products or unable to spend his money intelligently. The team might break down. I wonder if that is being taken into consideration in your planning?

MR. WILSON: I think it should be taken into consideration, and it will be. It is an important point.

QUESTION: Are you planning to give title to these little plots of ground and houses to the occupants?

MR. WILSON: In most cases, yes. The occupant will be sold a contract for the deed, but there will be restrictions on the deed.

QUESTION: In your plans for that district of West Virginia, are you planning so that you will have modern water works system and arrange for a distributing system?

MR. WILSON: Yes.

QUESTION: Won't that be expensive?

MR. WILSON: We don't think so. Most of those houses, I think practically all of them will be equipped with electric pumps. If I remember correctly, we can get those for \$65 apiece. Some of them will have individual wells, and some of them will have the houses grouped in little clusters so that five or six can be serviced from one water system. In that particular case, the wells will have to be about sixty feet deep. They will have all septic sewerage disposal. That is going to be a pretty good experiment in West Virginia. If any of you are looking forward to employment, you had put in your application.

QUESTION: Haven't most of those people been selected?

MR. WILSON: A few - there are some vacancies.

QUESTION: How will cows be handled?

MR. WILSON: You mean in West Virginia, or other places?

QUESTION: I had in mind this particular place.

MR. WILSON: Well, that is where we need the services of an agricultural economist. I don't know. That is an unsolved problem- if the agricultural

economists have a solution for the cows, let us have it. I rather think we will try in West Virginia an arrangement whereby the cows will be individually owned and I think we will have enough pasture so that the cows will be pastured - enough certainly for fifty cows. We have this practical difficulty in the West Virginia set up.

We want to fit that farm with 1200 acres into the community. We don't want it to be something apart, with a fence around it so that it is not a part of the community. We're rather inclined to think it would help out somewhat if adjacent farmers might be able to sell milk in that territory. I have a hunch that there will be enough cows to supply from one third to fifty per cent of the milk that should be consumed in the community, but in general, from the little I know about this and the little information we have been able to get, I am of the opinion, provided the value of the land will permit, and the general situation will permit, that we will have a unit large enough for family cows.

QUESTION: What about chickens?

MR. WILSON: Chickens? There are plenty of chickens.

QUESTION: Are you going to be prepared to subsidize these people if they do not find work in the factories?

MR. WILSON: They are subsidized - about one hundred percent. If we are to develop this type of life, this would fit in in such a manner that there would be sufficient industrial income, that families would have a pretty good, a reasonably good standard of living in the economic system at the present time. But that, of course, presupposes that we have magnified the benefits of concentration of mass production and should immediately make a study to ascertain those types of industries which should be carried on under conditions of mass production and those types which will do just as well with small production. It is perfectly conceivable to me that we could have a system which would subsidize this kind of industry which would not do greater violation to the industrial system in the future than certain kinds have done in the past which has caused a great deal of the concentration which we have at the present time.

QUESTION: Some people interested in this are quite enthusiastic over the use of electricity.

MR. WILSON: I am inclined to think that we will equip all the houses with electricity. We might just as well have nice working men's houses with electric lights, refrigerators and pressure system. I am coming over to see you Home Economics people who want a larger consumption of electricity.